



Judd Gregg, Chairman
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**Budget Chairman Gregg's Statement on Congressional Budget Office's
Updated 2005 Budget and Economic Outlook**

"In my view, today's revised outlook from the Congressional Budget Office (CBO) is further evidence that the pro-growth economic policies put in place by Congress and the President are working to strengthen the economy and lower the deficit. The CBO estimate specifically cites robust growth in corporate income tax payments, indicating that our economic policies are benefiting businesses. Other signs of a growing economy include the creation of nearly four million new jobs over the past several years, another source of increased revenue for the government.

"The next challenge is to tackle the long-term spending issues this nation faces. CBO today projected that 'a growing elderly population and rapidly rising health care costs will cause federal spending for Social Security, Medicare and Medicaid to increase from more than 8 percent of GDP in 2005 to between 12 and 17 percent in 2030 and to between 13 and 28 percent in 2050.'

"Mandatory spending is growing unchecked each year, adding to our long-term fiscal obligations and threatening our economic stability. The demands these mandatory programs place on our fiscal resources will force us to make difficult choices, and we should not put them off any longer. The budget reconciliation process this fall is an important first step toward finding ways to slow that spending growth and keep our fiscal house in order for future generations."